



DEMOCRAT for CONGRESS
HAWAII'S 2nd DISTRICT

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COMMISSION

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OFFICE OF GENERAL
COUNSEL

August 6, 2012

Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463-0002

RE: MUR 6607

Dear Sir/Madam:

Hannemann for Congress is responding to the Federal Election Commission's letter dated July 19, 2012 (received July 24, 2012), regarding a complaint filed by Tulsi Gabbard.

Our responses to the complainant's allegations are provided below.

Campaign Travel

In the months preceding Mufi Hannemann's official entry into the race for U.S. Congress on September 2, 2011, his business obligations or personal travel took him to the State of Hawaii's counties of Hawaii, Kauai, and Maui (he resides in the fourth county, the City and County of Honolulu). During this time, he met with friends who had supported him in previous political campaigns to discuss his plans and gauge their views on what paths he should pursue, which included remaining in the private sector or pursuing state or federal public office.

Mr. Hannemann's airfare on these trips was paid in conjunction with his business responsibilities as president and CEO of the Hawaii Lodging & Tourism Association, which has a chapter in each of the four counties. His campaign-related discussions took place during his personal time. If he stayed overnight, it was for business purposes and his employer paid for the accommodations. If he was on personal travel, he paid for his own accommodations or stayed with friends at their residences. While the statement, "our campaign has traveled to every county of the state ..." could be misconstrued as a major activity, what actually happened was Mr. Hannemann met or called some supporters in each county while there on business or personal travel.

In Chapter 10 of the FEC's guidebook for "Congressional Candidates and Committees," the section on "Mixed Travel" stipulates that only the travel costs related to the campaign are expenditures and that "incidental" activity is non-reportable. Insofar as Mr. Hannemann was on a particular island for non-campaign purposes, and incurred no costs in meeting or calling his friends, the campaign did not incur any reportable expenses. On occasions when Mr. Hannemann traveled for personal/leisure purposes, any campaign activity was, again, incidental.

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Furthermore, the complainant (her Exhibit C) has made no distinction between Mr. Hannemann's inter-island travel related to his business obligations, personal trips, or campaign activities. Instead, the complainant has broadly categorized all of Mr. Hannemann's travel as campaign-related and therefore reportable. That allegation is unsubstantiated.

Mr. Hannemann used his personal airline mileage for the round-trip airfare to Guam in conjunction with a fundraiser he held on that island in March 2012. The campaign paid a total of \$1,169.20 to the Fiesta Resort Guam for the fund-raising event, which included \$244.20 for the candidate's hotel accommodations (hotel invoice attached).

Private Employment

Mr. Hannemann was employed as president and CEO of the Hawaii Lodging & Tourism Association until July 8, 2012. Although he had announced his Congressional candidacy in 2011, he had no specific timetable to leave his position. There is no federal or state law requiring that a person in private employment resign his or her job in order to seek a Congressional seat.

Mr. Hannemann's duties as HLTA president and CEO were to fulfill the mission and goals of the organization, as described below and taken from the association's website (www.hawaiilodging.org):

Mission: Our mission is to provide education and advocacy to the hospitality industry.

Goals: Our goals are to: advocate the needs of our members with the federal, state, and county governments; provide educational opportunities, timely information, and appropriate resources to members, legislators, the news media, and community; provide a wide range of economic benefits and preferred services to our members; and support and contribute to a better quality of life and environment to the community and our visitors.

The nature of his responsibilities required him to travel throughout Hawaii in support of the neighbor island chapters on Hawaii, Kauai, and Maui; to advocate for the association before government bodies; to increase the association's profile through the news media and community outreach; to provide oversight of the organization's charitable activities; and to serve as liaison with the parent American Hotel & Lodging Association.

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The complainant's allegation that Mr. Hannemann's campaign activities made it "unlikely [that] he devoted the same amount of time to his employment or that he completed the normal amount of work required for his position" is unsubstantiated and without merit. Mr. Hannemann's performance in this position had been exemplary, as reflected in public statements made by the current HLTA chairman of the board, Kelvin Bloom (see the attachment from the *Pacific Business News*, "Hannemann championed tourism at a critical time"). And the HLTA board of directors would have asked Mr. Hannemann to resign immediately if he were not doing his job. To suggest otherwise is speculation at best.

By comparison, the complainant served as a member of the Honolulu City Council, her salary paid by City taxpayers, while campaigning for Congress. Her complaint is perplexing in that the same accusation could seemingly have been made about her own ability to fulfill both her duties as a public official on the City Council while she was spending time campaigning as a Congressional candidate.

Mr. Hannemann was head of the Hawaii Lodging & Tourism Association until July 8, 2012, and in that capacity was its official representative and spokesman, integral parts of his daily responsibilities from his initial date of hire. The public service announcements and news show appearances were essential to his duties, and he had made these announcements and appearances even since he took the position. We would also note that the complainant has continued to also make public appearances and announcements as a member of the Honolulu City Council throughout her campaign.

Polling Services

Q Mark Research conducted two polls for Hannemann for Congress as part of a two-poll package, the first in late August 2011 and the second in late January 2012. We subsequently made two payments to Q Mark, the first dated March 29, 2012, for \$5,130.89 and the second dated April 21, 2012, for \$5,130.89. The complainant's allegation that the "sum ... is clearly under the market value charged for such polling services" is completely without merit. We would also note that the accusation seems to have been made without any knowledge of the scope of the polls in question, or the services actually offered.

Credit Card Charges

There were two credit card charges over \$200 that were inadvertently left off the 2012 first-quarter report because of how the reporting software we use (NGP VAN) extracts data. We discovered this problem when submitting the second-quarter report. We have since been in contact with NGP VAN and are now entering the data in a manner that will ensure that the "memo items" exceeding the \$200 threshold will be listed with the credit card disbursement when the dates cross quarters.

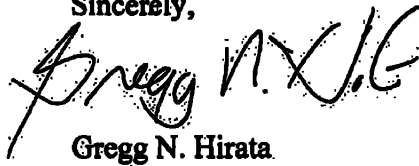
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Because of the short turnaround between the filing of the second-quarter report and the pre-primary election report, we have not had an opportunity to re-enter the previous quarter's data to be able to file an amendment to past reports. Please see the attached detail of the associated charges for each credit card payment. We are reviewing and revising dates in our system for past quarters so that the data for credit card payments and their associated memo items will be reflected accurately in the quarterly reports. Once this is done, we will file the required amended reports.

Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregg N. Hirata". The signature is stylized with a large, sweeping "G" and "H".

Gregg N. Hirata
Assistant Treasurer
Hannemann for Congress

Enclosures

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Hannemann championed tourism at a critical time

From Pro Bowl to APEC to HLTA, former mayor has been a leader

I read the July 20 commentary by Kitty Lagareta, whom I respect greatly, but I have a very different view of Mufi Hannemann, given my work with him as chairman of the Hawaii Lodging & Tourism Association.

Mufi Hannemann recently resigned as president and CEO of the Hawaii Lodging & Tourism Association to seek a seat in Congress. While the members of our association never had an occasion to give him a proper testimonial, I'd like to use this opportunity to thank him for his outstanding service to the HLTA.

Mufi came to us at a time when we most needed his brand of experience and leadership. It was the beginning of 2011, and the visitor industry was still struggling from the impact of the global recession.

Mufi revitalized our organization



KELVIN
BLOOM
IN MY
OPINION

by recruiting new members and retaining existing ones, invigorated our county chapters, increased our visibility before legislative bodies and in the community, established a much-needed dialogue with our downtown business colleagues, helped drive our charitable activities

to record fundraising levels, and served as an effective voice for the visitor industry on the local and national arenas, to name just a few of his many accomplishments.

Our HLTA board found Mufi to be very open, collaborative, and innovative. His energetic leadership style found him working tirelessly on behalf of our organization around the clock and throughout a seven-day week.

Our professional association at the

HLTA was not the first time we had collaborated. When I was the chairman of the Hawaii Tourism Authority, then-Mayor Mufi made a convincing case to key board members to continue funding for the National Football League's Pro Bowl. He had worked over the years to retain this major attraction, which draws 20,000 visitors to the Islands, and he was keenly aware of its importance to tourism and the state's reputation as a prime destination.

A little later, it was his commitment to the city's public safety — police, fire, emergency medical, and disaster management — that provided the essential ingredient in Honolulu's successful bid to host the Asia Pacific Economic Cooperation summit. APEC was a huge boost to the lodging industry when we most needed it.

Given the success Mufi enjoyed as chairman of the U.S. Conference of Mayors' tourism committee, when he lobbied for the passage of federal

legislation to promote international tourism and called for expanded visa waivers, the APEC summit was a testament to his vision for more foreign travel to the United States, and to Hawaii in particular.

The visitor industry helps and serves everyone. When tourism is strong, it touches everyone, and particularly the small businesses that make up our economy: restaurants, retail stores, suppliers, visitor attractions, ground and airline transportation, and so on, and generates the tax revenue that underwrites public services.

It would be a natural progression for Mufi to take his experience and know-how to Congress, where I know he'll champion travel and tourism as a cornerstone of our economy and our future.

KELVIN BLOOM, president of Aston Hotels & Resorts, is chairman of the board of the Hawaii Lodging & Tourism Association.

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